

MEMORANDUM FOR: Acting Director, PAO

FROM: [] Director, CLLO

SUBJECT: New Terms of Reference for SSCI Report on Studies
and Analysis

1. Based on discussions with [], the following new terms of reference for subject study were agreed upon:

a. Report will be an overall expository paper on the philosophy of studies and analysis, aimed at showing what this category really consists of and why external help is needed.

b. In describing why we need to go outside, some key high priority areas will be identified where there exists the greatest deficiencies of inside talent.

c. The paper should address in general terms safeguards that exist to avoid conflict of interest, focusing on the large collection systems area.

d. The paper should also include a general assessment of the value to the intelligence process of the output from these studies and analyses, including some examples of problems which turned on the input from certain contracts.

e. Attached to the overview paper should be a categorization of the kinds of efforts undertaken in the studies and analysis area, and their costs.

2. Dan indicated he was looking for an "honest first cut" at what was clearly a difficult problem. No specific due date was mentioned but Childs understands the 1 November date cannot be met.

3. The community is already on notice from the SSCI to come in with lists of their studies and analyses and their costs as part of the CJB materials. What I'd like our paper to do is to provide a general framework within which the SSCI can review these individual activities. I've attached an outline of the kinds of information we will need for this report, and which we are looking to PAO to provide. As soon as you have some idea of how long it will take to get the data, I'd appreciate your letting me or [] know.

OUTLINE OF DATA TO BE PROVIDED BY PAO TO CLLO AS BASIS FOR REPORT TO SSCI ON EXTERNAL STUDIES AND ANALYSIS EFFORT IN COMMUNITY

FOR EACH MAJOR ELEMENT/ORGANIZATION IN THE NFIP, PLEASE PROVIDE SOME INFORMATION IN EACH OF THE FOLLOWING SECTIONS:

1. A general description of the kinds/categories of studies and analyses contracted for over past - say - three years
 - address by intelligence activity - i.e. in support of collection, processing, production, other
 - within each category, how generally funded: i.e. in support of R&D, O&M, procurement - any special reasons for choice
2. What were the reasons for seeking contractor assistance, in general
 - i.e.- lack of in-house capability, scarcity of available manpower, cost-effectiveness, etc.
3. How were contractors chosen
 - sole source or competitive
 - if sole source, reasons therefore (unique capability, lack of competition, special problems, other factors)
4. What procedures are used to avoid appearance of conflict of interest
 - discuss such techniques as use of non-product oriented contractors or non-profit contractor organizations
 - restrictions on contractor eligibility to bid on follow-on contracts
 - encouraging competition (as in Defense Procurement Reg.)
 - judgmental factors
 - cite specific guidance, regs. if available.

5.. Assessing value

- what mechanisms, procedures are used to evaluate results of contractual studies and analyses

6. What additional guidance needed, if any

- comment on the need for any additional guidance which would strengthen the way in which contractual efforts are handled - any special guidance for intelligence needed.

7. Some specific examples of major studies and analyses in the major categories of intelligence effort, their value to intelligence and their cost [examples should be chosen from studies done during the past two or three years].